



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 22, 2003

Dennis Booth, Treasurer
Arizona Republican Party
3501 North 24th Street
Phoenix, AZ 85016

Response Due Date:
November 21, 2003

Identification Number: C00008227

Reference: Amended February Monthly Report (1/1/03-1/31/03), received 3/19/03

Dear Mr. Booth:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule D discloses a negative \$4,377.50 incurred this period for the purpose of "Adjustment to Invoice" for a debt owed to "Strategic Telecommunications". Please amend your report to provide clarifying information regarding the nature of this transaction.

-Schedule B of your report discloses payments made to a credit card company for "Pay Down Bal-D on Prior Report". Payments made to credit card companies must identify in memo entries, the original vendors from which you have purchased an item or service if your payments to these vendors have exceeded \$200 this year. Please amend your report by providing the name and mailing address of the original vendor, along with the date, amount and purpose of each payment as required by 11 CFR §104.9(b) or provide additional clarifying information regarding these disbursements.

-Your report does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than

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25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) totaling \$3,446.71 for "Direct Mailing," "Reimbursement for Phone Bank Exp," and "Reimbursement for Phone Bank Expense." Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Please provide further clarification regarding this activity, specifically whether it referenced and promoted, attacked or opposed a clearly identified candidate for Federal office. If this is the case, please amend your report to properly disclose this activity as an in-kind contribution, an independent expenditure or a coordinated expenditure, as appropriate, on a Schedule B, E or F supporting Lines 23, 24 or 25, respectively.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each state, district or local party committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses (excluding salary) between the accounts according to a fixed percentage selected on FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. Payments for salary and wages for employees who spend more than 25% of their compensated time on Federal election activities or on activities in connection with a Federal election must

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be made from a federal account and disclosed on a Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §106.7

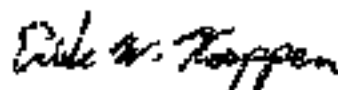
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be provided during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1136.

Sincerely,



Erik W. Koeppen
Senior Campaign Finance Analyst
Reports Analysis Division

